U. S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
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STATEMENT OF LESTER P. LAMM, EXECUTIVE DIRECTOR, FEDERAL HIGHWAY ADMINISTRATION, BEFORE THE SUBCOMMITTEE ON TRANSPORTATION OF THE SENATE PUBLIC WORKS COMMITTEE, REGARDING THE ADMINISTRATION'S "HIGHWAY BEAUTIFICATION ACT OF 1974", AND S. 3161, WEDNESDAY, APRIL 10, 1974.

Mr. Chairman and Members of the Committee

I am pleased to testify today regarding the Administration's "Highway Beautification Act of 1974", S. 3161 introduced by the Chairman of this Subcommittee, and the conclusions of the recent Highway Beautification Commission Report.

I would like to begin by reporting briefly on the status of the Highway Beautification Program. Although the Highway Beautification Act was enacted in 1965, a meaningful program did not get underway until substantial funding for the program was provided in the Federal-Aid Highway Act of 1970. Since the substantial authorizations in that Act made clear the commitment to this program of the Congress and the Administration, the program has made significant progress. Whereas there were only twelve States (plus the District of Columbia and Puerto Rico) in full compliance with the program's requirements at the time of the 1970 Highway Act, all States now are in full compliance and have funds programmed for sign removal. By "full compliance" we mean that the States have enacted legislation prohibiting the creation of new signs in all areas except commercial and industrial areas, and have entered into the required agreements with the Secretary regarding the size, lighting and spacing of signs in commercial and industrial areas. These steps

have constituted Phase I of the program. Now we are well into Phase II -- removal of signs by the States under their own laws. As of the end of calendar year 1973, approximately 200,000 nonconforming, illegal, and abandoned signs have been removed. Thus far this year, the states have removed an additional 25,000 signs.

We believe it is essential that the progress now being made by the program be maintained. To enable its continuation, a continued legislative commitment to adequate funding for the program, such as that proposed in the Administration's bill and in S. 3161, is necessary. We do not wish to repeat the experience of fiscal years 1968, 1969, and 1970 when, because of a lack of authorizations, the States doubted the Federal government's commitment to fully implement the program, and consequently it came to a standstill. Therefore, a quick authorization of highway beautification program funds is an important priority.

Our bill adopts a combined funding level approach for the sign removal, junkyard removal, and scenic enhancement programs. We believe that it is preferable to give the States some further flexibility to decide how to spend beautification program funds. However, we anticipate that the proportion of funds utilized for sign removal will remain approximately as at present, since we will continue to require removal of signs in a timely manner pursuant to the requirements of the statute. We propose authorization levels for the three programs of $50 million for fiscal 1975, $55 million for fiscal year 1976, and $60 million for fiscal year 1977. On the basis of our examination of the program, we believe

these authorization levels are appropriate. Moreover, they reflect a gradual increase over the levels the Department has been spending on this program.

With regard to funds to administer the program, our bill proposes that authorizations currently available for fiscal years 1975 and 1976 be switched from general funding to funding from the Highway Trust Fund and that an additional $1.5 million be authorized out of the Trust Fund for this purpose for fiscal 1977. The administrative authorizations would then be consistent with beautification program authorizations.

Now I would like to discuss two other important provisions of the Administration's bill. These provisions, which we submitted in previous years, were contained in the versions of the Federal-aid highway bills passed by both the House and the Senate in 1972 and 1973. However, because of the last minute failure of the 1972 highway legislation and the decision by the Conference Committee on the 1973 Act to postpone action on the Highway Beautification Program in order to consider these, with other more controversial proposals, they have not yet been enacted.

The first provision--section 102(a)--would extend the control of signs from 660 feet to the limits of visibility outside of incorporated cities and villages to prohibit erection of very large signs now being erected beyond that line. In many cases, these "jumbo signs" are more objectionable than those adjacent to the right-of-way, and extending the controlled area would end their current proliferation beyond the 660 foot boundary. S. 3161 also would extend the limits of control, but would

control only those signs beyond 660 feet which have been erected with the purpose of their message being read from the main travelled way. These words would be difficult to apply and enforce and might establish a loophole in the beyond-660-foot control requirements. The provision in S. 3161 appears to be intended to protect signs along highways where they are permitted which the States otherwise would be required to be removed simply because such signs are visible from highways where they would not be permitted. Because this "overlap" would occur mainly in urban areas, we believe our proposal to extend the control area beyond 660 feet only outside of incorporated cities and villages would meet the concern expressed in S. 3161.

The second provision--section 102(c)--would provide funding for all signs lawfully erected under State law. This would correct the inequities in the current law, which limits Federal financial participation to signs lawfully erected before October 22, 1965, yet requires the States to remove many signs erected since then. This "hiatus period" places an unnecessary burden on many States by requiring the removal of signs established during this period without providing for a Federal share of compensation. Section 2(f) of S. 3161 would create a new hiatus period by tying the payment of just compensation to signs lawfully erected prior to the enactment of the Highway Beautification Act of 1974. Signs erected between that date and the date of enactment of a complying State law would not be eligible for a Federal contribution. Therefore, we recommend that the provision in the Administration's bill be adopted.

Our bill also amends the section 136 junkyard program by permitting flexibility in the use of junkyard control funds. In particular, we would add the collection of junked auto bodies and their transportation to recycling facilities as an eligible activity under this program. In addition, the bill contains minor amendments to the section 319 scenic enhancement program, including the addition of information centers as a permitted use of those funds.

Let me briefly comment on one other provision in S. 3161. Section 2(c) would amend section 131(d) of title 23, United States Code, and create an unnecessary loophole by permitting jumbo signs to be erected beyond 660 feet in zoned and unzoned commercial and industrial areas. Because, in our view, jumbo signs are a blight irrespective of their location and are not at all necessary where signs are permitted within 660 feet of the right-of-way, we recommend that section 131(d) not be amended in this way.

Also, we think it is not desirable to establish a five year removal period for nonconforming signs, as proposed by section 2(d) of the bill. Although this is a desirable goal, the changing costs of the program suggest that such a statutory directive not be included in the legislation.

Now, I would like to turn to the report of the Highway Beautification Commission and its 60 recommendations regarding the protection, improvement, and enhancement of the highway environment. Several of the Commission's recommendations are covered in the Administration's bill. For instance, we agree with the Commission's suggestion that the beautification program be funded adequately and on a continuing basis, and that the "hiatus period" regarding Federal financial participation in signs lawfully erected before

October 22, 1965, which the Act requires the States to remove, be terminated. We agree with most of the Commission's other recommendations, and we are preparing responses to each recommendation, which we will submit shortly to the Committee.

I also would like to address the specific issues the Chairman raised in his letter inviting us to testify. The first concerns the determination of what constitutes "just compensation", which the Highway Beautification Act requires to be paid for the removal of signs. Our position on this issue has been quite simple: "just compensation" is a matter of State eminent domain law. However, because there was very little information available on methods of sign valuation when the Federal Government's acquisition program began, to simplify the valuation process, the Federal Highway Administration developed optional sign valuation schedules. We have been willing to reimburse the States for signs acquired on the basis of these optional schedules without extensive review. These so-called "national schedules", although entirely optional with the States, have been understood mistakenly by some to be an attempt by the Federal Government to dictate sign values. As the sign program has progressed, the States have developed considerable expertise in the field, and many have decided not to use the national schedules. We are presently reevaluating the use of these schedules to determine if they are still necessary for the streamlined operation of the highway beautification program, and intend to abandon them if they do not any longer serve their original purpose. We anticipate that there will continue to be some disputes between sign owners and the States over sign valuation, as

there is over valuation of any real property for ordinary right-of-way acquisition. However, for the most part, we believe that the more serious valuation questions in this program have been settled.

The second issue which the Chairman raised is directional signs. This issue was first raised during the development of the Federal-Aid Highway Act of 1973 when the House Committee on Public Works amended the Senate's proposed bill to permit the erection of a new class of "directional and official signs and notices" within 660 feet of the right-of-way. These signs were to be in addition to those signs already permitted in commercial and industrial areas and the directional signs permitted under national standards. The proposed class of signs would have included "signs and notices pertaining to information in the specific interest of the traveling public, such as, but not limited to, signs and notices pertaining to rest stops, camping grounds, food services, gas and automotive services, and lodging." Such signs would have been limited to a maximum of 3 per mile. Objections were raised against this class on the ground that a product-advertising sign readily could be converted to a directional sign simply by adding a line describing where the product could be obtained. Thus, the class of signs which would have been permitted would have included virtually every type of sign known to us today. Others pointed out that the limit of three signs would have become an upper limit, and allowed a tremendous proliferation of new signs along our highways.

Our objections to this directional sign provision are more fundamental. First, we believe the Federal Government should not be in the business of selecting advertising copy. FHWA and the States would find it difficult

to choose between the many competitors for each site and probably could not do so without subjecting themselves to repeated charges of unjust discrimination. In addition, we have found that the vast majority of non-conforming signs now on the highways are directional signs, and that distinguising between directional and product advertising signs would not do much to improve the beauty of the nation's highways.

More seriously, however, we feel that the proposed amendment is contrary to the purpose of the Highway Beautification Act. The Act is based on the principle that outdoor advertising is not appropriate along the rural segments of the highway system, and that signs should be permitted only in areas where general business enterprises are conducted. A single sign on a scenic segment of highway is just as offensive as five in the same area, and the Act therefore permits only a very narrow class of directional signs--those pertaining to natural wonders, and scenic and historic attractions--to be located outside of commercial and industrial areas. Thus, the construction of a new type of directional sign in the protected areas would be directly contrary to the fundamental purpose of the Act.

With respect to the three sign per mile rule, the proponents of the rule correctly note that there is not a limit on the number of signs in the present legislation. That is because one is not necessary. The Act controls the location of signs, not their numbers.

In response to your inquiry about alternatives to signs, we do recognize that some highway-related businesses spend most of their advertising dollars on outdoor signs, and are understandably

apprehensive about what will happen when some of these signs are removed. But we are of the view that travelers will continue to need services, and that tourists will continue to visit both public and private tourist attractions whether there are signs on the roads or not. There are other sources where tourists can obtain directional information. Many of them already use them. For instance, the nation's motels are relying increasingly on a national telephone reservation network, and the small directory booklets which they distribute are familiar to travelers. Along the Interstate system motels are increasingly concentrated at interchanges where they can rely on on-premise signs. In addition, scenic attractions often are identified on the highway maps published by the oil companies and automobile associations, and their brochures are available at service stations and information centers. There also has been some experimentation with radio frequencies to provide continuous advertising information for the traveling public. In short, although experience with these alternative methods has been limited, we feel private commercial concerns and advertising companies will provide for themselves as the tourist's demand for information shifts from reliance on billboards to reliance on other sources.

I would like to point out that the Act already contains three excellent alternatives to conventional outdoor advertising. First, directional signs off the right-of-way are permitted by existing section 131(c) for natural wonders, scenic and historic attractions. So far, only a few such signs have been erected, probably because the attractions eligible to use them only recently have been required to remove their

existing signs. We still believe that these directional signs are more that adequate to direct travelers to the attractions, and will become a valued and important advertising device as conventional signs are removed.

The Act also permits the States to establish informations centers in safety rest areas, where the State may distribute such information as it desires. As I stated earlier, our bill would authorize Federal funds for this purpose. 55% of our Interstate safety rest areas have some form of informational facility ranging from bulletin boards to large information centers.

Finally, the Act permits the erection of tasteful, simple logo signs on the right-of-way itself. Such signs are now in use in several States, including Vermont, Virginia, and Oregon, where they have proven a workable alternative to offensive billboards. As more states undertake to use them, we are convinced that they will satisfactorily meet the informational needs of the traveling public and provide adequate direction to businesses proximate to highways. We hope that more States will adopt them.

We are not, of course, tied to our present regulations on either the "logo" signs or directional signs, and are presently evaluating them to assure their effectiveness. We are ready to discuss any necessary changes with the Committee and believe that any inequities regarding "logo" and directional sign questions can be resolved without impeding implementation of the program.

This concludes my prepared testimony, Mr. Chairman. I now will be pleased to answer your questions.